

**MINUTES**  
**City of Newport**  
**Urban Renewal Advisory Committee Meeting**  
**City Hall Council Chambers**  
**Monday, July 14, 2015**

**Advisory Committee Members Present:** Ralph Busby, Rod Croteau, Wayne Belmont, Tim Kaufman, Ken Brown, Chris Chandler, Frank Geltner, Lorna Davis, Don Huster, Rachel Cotton (*alternate – Yaquina Bay Economic Foundation*), Bill Posner, and Robert McAfee.

**Advisory Committee Members Present by Conference Call:** Don Mann

**Advisory Committee Members Absent:** Birgitte Ryslinge, Bonnie Saxton (Jon Conner, alternate).

**Consultant:** Elaine Howard.

**City Staff Present:** City Manager/Urban Renewal Agency Executive Director Spencer Nebel, Community Development Director Derrick Tokos, and Executive Assistant Wanda Haney.

**Guests in Attendance:** Port Manager Kevin Greenwood and Terry Cole (ODOT Region 2).

**Audience Members:** Janet Webster and Ellen Bristow.

**Call to Order:** The meeting came to order at 10:00 a.m.; and Tokos thanked everyone for coming. He noted that today's topics are to go through the boundary and the potential changes to it; and then we'll talk a little bit about projects. We will have at least another meeting to pick up and further refine the project discussion. He noted that he had put together a PowerPoint presentation to walk through; with the boundary considerations first, and then hit the projects second. He noted that we've blended together the Port and the City options; so when we go through the boundary, it will be for each; and then the projects for each. He had asked Terry Cole with ODOT Region 2 to attend this meeting since a number of these projects relate to US 20 and 101, but also it's an opportunity to share with the group the kind of work we've been doing with respect to the future replacement of the bridge and doing some modeling work, some hard analysis of our transportation system, and some of the funding from the State that will be coming up in that regard.

Howard wondered if the minutes from the last meeting needed to be formally adopted. Tokos said typically on advisory committees they are just distributed. He said, however, if anyone's comments have been mischaracterized, we will make changes.

Tokos noted that copies of maps and projects were available on the table. Howard said Tokos just talked about the schedule for today; we'll do the boundary first and projects next. She wanted to remind everyone that at the next meeting on July 27<sup>th</sup> we'll also have an open house scheduled in the evening.

**Proposed Boundary Adjustments:** Howard noted that in order to frame our discussion on the boundary, she and Tokos worked with our other consultant, ECONorthwest, to try to narrow down exactly what we had to meet in terms of the boundary consideration. The assessed value and the acreage are a little tight, so we are having to work within constraints on both of those. The way you start out with making the decision for what the City should do, is you find out what the total assessed value of the city is and then subtract from that the increment from the existing Urban Renewal Area (shown by the first two lines of the slide). Then you get the adjusted city total (the third line). You may have 25% of that adjusted total in Urban Renewal. The City has about \$1.1 billion, and the frozen base of the South Beach Area accounts for just a little over 1% of that. We have another 23.75% that can go into Urban Renewal somewhere in Newport, which is \$262 million worth. The assessed value for the large option area was about \$269 million. We needed to cut out some properties to be able to get below this assessed value. Then they did the same iteration for the acreage. We can have up to 619 additional acres into Urban Renewal between the two options. If we do that, then the City is tapped out on anything that can go into Urban Renewal until the South Beach District expires.

Howard noted that Tokos has spent quite a bit of time looking at the options for Urban Renewal. The one we looked at last time was \$269 million with just the real property and by the time they added the utilities and the personal property and the manufactured property, it brought that up to \$291 million and 574 acres. Again, our limit is \$262 million; so there is a sizeable amount that we needed to cut out of the area (approximately \$28.5 million). She said that Tokos took a look at these to see where we need to add and cut. Going up to the large map on display, Howard noted that there were a number looked at for potential. Up in the Agate Beach area, because the projects there are infrastructure projects that would potentially add

development on those two parcels and would add more increment to the Urban Renewal Area. So the consideration is to add both of those two parcels in. As you come down, Tokos noted that that's a strip of highway right-of-way. He said they had a discussion about whether we should make the two plan areas contiguous or not. There's not a legal requirement that they be contiguous; but it's more common that they are than not. One of the things we'll have to sort out is whether or not we want to make them contiguous. There's like 30 acres involved in basically running a cherry-stem up US 101; it's just right-of-way because we didn't want to pick up any assessed value there. The reason the area shown up there is being recommended to be removed is that is the newest portion of the community and benefits the least from Urban Renewal investments. You've seen significant re-investment already in that area on a number of those properties. Walmart, Fred Meyer, and Safeway all just recently did remodels. In pulling those areas, it scales it back to about 16<sup>th</sup> where we do start to run into some of the areas where we have more redevelopment potential, vacant properties, and things of that nature. He said that by taking that basically from Agate Beach down to 16<sup>th</sup> that pulls out about \$44 million in assessed value and puts us comfortably under the limitation; and he doesn't think it compromises the core objective of the plan. Mann asked if that doesn't include the consideration for McLean Point. Tokos said we'll be touching on McLean Point, but that doesn't impact that whatsoever.

Howard noted that the other area of boundary adjustment was at the fairgrounds area. Tokos said it was a modest adjustment down there. It pulls out some of the County property that abuts Harney that's been fully improved. The fairgrounds site proper is still in there. That was more of an acreage adjustment so we could pick up some of the school site and Eads specifically. If the school district does within this plan period do some major changes, and this is something the district requested, it would be nice to at least have the option to contribute some Urban Renewal funding to a solution to Eads as part of that. Belmont had a question in terms of the overall fair property there, he would say you want to take that property immediately east of Harney Street out to 7<sup>th</sup> or whatever that is there and continue to include that in the boundary. He thinks that's important because he thinks it will be part of the re-development of the whole fairgrounds and will be in play. To the east of Harney, but not the stuff uplope.

Howard said just another note about the right-of-way, if it's decided that it has to be in, it doesn't have to take the full right-of-way. We can narrow it down to 10 feet of that. It really depends if the City thinks at some point it may want to do a project in that right-of-way. She's never worked on an Urban Renewal Plan where the whole area wasn't contiguous. We did have a legal opinion come in from the bond council the City uses, and they said if you can prove that the areas relate to each other then you can have it noncontiguous. If there were complaints about that and it was legally challenged, until that got settled they wouldn't issue a bond. They'll just have to work with the city to decide what level of comfort we have being one of the few that's not contiguous and seeing if that's an issue or not. She said we'll figure that into the acreage considerations. It doesn't cause us any issues in the assessed value considerations.

Howard said at the last meeting she had asked the members to go out and take a look at the area and let us know if there's any areas you thought should be pulled in or pulled out. She asked if there were any thoughts on that. Tokos said the areas up in Agate Beach, one of which Huster is very familiar with because he actually has that property, that piece needs better access on 60<sup>th</sup> to fully develop as will a number of other properties that are undeveloped. Tokos thinks it's advantageous for us to include at least some property with future development potential; it will make for a healthier tax increment. If we don't, then we're basically at our 3%. The bulk of Agate Beach is developed. This particular site would benefit from infrastructure being installed on 60<sup>th</sup> as would a number of other sites immediately south of it. He noted that the piece to the southeast, that property we have had people talking about developing it, but infrastructure is the big obstacle to them; getting it extended and having a logical connection to 52<sup>nd</sup> and Lighthouse. The streets in there are kind of a jumble. Until they can get some access that property is not going to develop. Tokos said those would be the types of infrastructure improvements we would want to make in Agate Beach, so they seem like a good fit. They would add about 75 acres and about \$1 million of assessed value. If we make Agate Beach contiguous with the other area, you are looking at about 30 acres of right-of-way and adding no assessed value. Tokos noted that we talked about those fairgrounds adjustments. Again, no assessed value; we have a little bit of acreage to spare, so we could add in what Belmont mentioned without putting ourselves in trouble. Belmont said it's only about 3 acres. Tokos said, as it was illustrated, it would have been a net decrease by about 8 acres, but we can play with that.

Kaufman asked if there's a reason the property on the other side of Eads for the school district wasn't added in. Tokos said we're tight on acreage, too; so he's just trying to keep us under the 619, which is the max we can have. This gets us to Eads. He doesn't know if pulling in the rest of the school district property other than adding acreage whether or not there would be an Urban Renewal connection there. The entire right-of-way is included.

Belmont asked if the city later annexes property to the city, can you amend the boundaries of this. He knows you could do an amendment, but would that be a major amendment to this. Howard said if it's under 1%, then it can be a minor amendment. If it's over 1% of your original acreage, then it's a substantial amendment. Tokos said, and we'd still have to be cognizant of our 25% of assessed value. Belmont said acreage-wise if you added more acreage it would actually expand it. Howard said it gives you bigger capacity. Tokos said like the 300 acres over by the reservoir. He said if we annexed that that gives us a little more flexibility on the acreage side. Howard said you would get 25% of that as additional capacity.

Going back to the contiguous thing, Geltner asked if we've thoroughly searched the legality of that. He said that part of this whole definition of blight and the whole 101 corridor, you're essentially taking out a portion of the corridor for example that if there were some improvements suggested of an aesthetic nature that could not be included. Howard said if you had the right-of-way in and you did those as right-of-way improvements like lighting or signage, those could be included as long as you included the right-of-way. You just couldn't do it on the individual privately-owned parcels; but to the street right-of-way you could. That's one reason to include the entire width of the right-of-way; so if you did try to do something that's consistent throughout the entire area, you could carry it through.

Continuing on, Tokos said for the Port they're recommending about 47 acres be added. On the Port Plan it ensures that the full range of anticipated improvements would be entirely within the district. It pulls in the Port Terminal site, the Trident Seafood plant, and one small privately-owned industrial piece as well that is immediately adjacent to the Terminal site, and right-of way where sewer line improvements would need to be done. That's why that finger on Bay Boulevard extends that far west to a little bit beyond Vista Drive where our gravity sewer line starts; and that would be the connection point. Busby asked what the small "L"-shaped piece was that wasn't included. Tokos said it's a piece of unincorporated Lincoln County. He doesn't know the history of that piece; but for ease of adoption he didn't want to include it and have to run this through the County Board of Commissioners.

Looking at the slide that summarized the boundary changes, Howard said the size will be a little different given the request from the fairgrounds. The assessed value adjustment brings us more comfortably down below that level; and to her that's important. She did a project in another city where they pushed right up to that 25% and when the Assessor's data came out they were over; and then they had to go back in and cut property. She's much happier to come down this far and not have to get into that situation. She noted that the total new acreage is really close to the maximum; especially when we add the fairgrounds back in. She said what this means is that if there's some other property you want to pull in someplace, you really can't do that until you do the annexation or the South Beach Plan gets terminated. So, she said to make sure this is what you want to do.

Tokos noted that pulling some acreage out of the South Beach Plan is another way to tackle it. It has the bulk of our Urban Renewal acreage, and a bunch of that is tied up in the state park. He said there was really no logical reason why that was put in the Plan in the first place; it doesn't contribute anything other than add acreage. Howard said she has done that in other communities; pulled out other considerations to give them breathing room on total acreage.

Tokos asked if there were any other boundary considerations we haven't thought of that anyone thought should be considered at this point. Howard asked if everyone was comfortable with the changes we are talking about. McAfee asked if we're adding the green areas and removing the red; and Tokos confirmed that. Geltner asked where the high school track encroaches on the fairgrounds property if that's something we need to account for. Tokos said where it encroaches on the fairgrounds property is in the Plan now. Howard said it's not something that will cause a problem with the plan.

**Proposed Projects:** Moving on to projects, Howard said that she and Tokos went back and forth on how to address projects with the group to make it most sensible. To provide an overview, she said that when we do an Urban Renewal Plan, we group projects by the type of projects; so if it's infrastructure, transportation, utility. Then generally those projects need to address blight to show you're actually doing what you're supposed to do in an Urban Renewal Area, which is to clear the blight. Usually we use general descriptions of those projects. If we use too specific of a description and in five years when you start the project and it's changed, then you immediately have to go in and justify to everybody why your project has changed; and it causes a lot more problems than doing a more general description up front. When you get ready to do your project then you go in and do a minor amendment to your plan and do your specificity at that time. That's a much cleaner way to address an Urban Renewal Plan and the projects that are within it. Usually when you are identifying your projects you bring out projects that are already within your existing plans; it may be in your capital improvement plan, your transportation system plan, your comprehensive plan, or in your general over-reaching plans.

Busby noted that Howard just made the statement that the projects normally address blight. We've included some acreages in here that are strictly for improvement. He wondered if there is any rules or separation between projects that would help improve; in other words, running infrastructure up here to one of those properties on the east side of Agate Beach versus addressing blight. Or is there any difference? Howard said not having appropriate utilities is one defined condition of blight. Busby asked, even though it's vacant land at this point; and Howard confirmed that was right. She said that land is called blighted because it's underdeveloped. That's one of the specific conditions in the statute for what establishes blight. Not being able to develop the land because you don't have the water, the sewer, the stormwater, or whatever, available to it is addressing blight.

Continuing on, Howard noted that the other thing you want to look at when you're talking about your plans is can you leverage your money somehow; either through grant money or Port money or through County money, State money, or ODOT money; any other source. Sometimes you end up doing projects just totally with Urban Renewal money. She said, if at all possible

when you have that maximum indebtedness (that limit on how much money you can spend) you try to leverage as much as you can so that you make your money go further. She said those were the guidelines that we need to think about or talk about.

The next slide discussed phasing. Howard said you can't do all projects at once because you can't access that full maximum indebtedness all at once; you have to wait until your money starts coming in. Generally your projects get phased over a certain time period. She said that Tokos had told her that our South Beach Plan was broken up into about three major phases, and he's anticipating that this one will probably be that way. Tokos said at least three. He said part of it is that when you elect to fund a project by borrowing against your increment you need the project phases to be long enough that you can actually effectively do the borrow, the design, the construction, and then catch your breath as you walk into the next phase. Three years is kind of the minimum really. Given the length of this plan, phases will probably be a little bit longer than that. We will need to break them into phases to make it workable. He said we haven't done that yet because we're talking about projects conceptually now. Nebel asked if it's considered a minor amendment to shift something from one phase to another. Tokos said yes as long as it's a project that's in one of the phases, you can move them around. Howard said you don't even have to do that in a minor amendment. That can just be done in your budget process. Some agencies like to be really specific and do everything like that in a minor amendment; but usually a minor amendment would be only if you're going to get rid of a project, add in a new project; and sometimes people use a minor amendment to do the specifics of a project. It depends really on how you administer your plans and what kind of detail you want in them whether or not that has to be an amendment or just something you can do as part of the business of your budget process. Tokos said the City has elected to do those through a minor amendment process for a few reasons. For one thing, it creates a legislative record of what has been done so people understand. You can go about it and say this was the decision-making process. Plus it makes it absolutely certain that there was public outreach, and the decision was made by our Urban Renewal Agency. It's in the record that they understood what was being done, and they took action on it. If it were in a budget document or something, it would be harder for us to piece that together. It's a conscious choice we've made. Whether or not that will continue, he assumes so. As he's noted, these are living documents. What we are trying to do here is get an umbrella of different projects that's conceptual. It's clear enough that we can coordinate it to what we're trying to address but not so specific that it's going to limit us down the road and with the expectation that further details will happen as we go along.

Geltner referred to the slide where they had general to avoid the specific and wondered if they could strengthen the point they were making. What do you want to avoid? Howard said she's had plans where they've defined a transportation project as going from "x" to "x", that's putting in sidewalks that are "x" feet wide, and a water line that is specified at 10 inches. Then they get to the design down the road, and it's really none of that. At this point when we're looking at streetscape projects or utility projects, we know it needs to be done; but we're not saying what size the pipe's going to be or exactly where it's going to be laid in the area because that will all change as you move ahead. It's better to have the category there, and create the specificity when you know it so you're not having to say well folks this is wrong so now we have to change it. Now you're creating something new, and people get more confused and she thinks more negative about projects when that happens. If you have a project very general and then do the specificity; it's a more positive way to approach it.

Mann had a question on timing. He noted that Tokos had mentioned when talking about phasing in projects that it could take maybe up to three years. He wondered if that's for each individual project or based on the size of the project and asked if Tokos could expand on that. Tokos said there will be a number of projects per phase. That's something they will be working on with the committee as we move along; how best to break the projects up into phases. He said say for Phase 1 we have a maximum of \$7 million we can go out and borrow against our increment to do projects. We'd work on those projects with that \$7 million during that window of time; be it three years, four years, five years, or whatever.

Howard wanted to go back to the \$42 million to clarify something. She noted that the \$42 million in maximum indebtedness would cover both Urban Renewal Plans; not just the South Beach Plan. She believes what the City Council said was their capacity for using Urban Renewal and incurring that maximum indebtedness was \$42 million for both. Greenwood asked if there's a tie-in on the project list where it shows \$39.3 million for Urban Renewal and the \$42 million. Howard said it's a direct correlation; and the amount in between we don't yet have a number for administration. There's going to have to be a number built in for administering the plan. That would take up the remainder of that. She noted that what Greenwood was referring to was the chart he picked up from the table; and she said we would go through that later. She said these are big numbers that we're looking at and as we go through the finance plan, which is two meetings down, these numbers get adjusted somewhat because we start looking at the timing and when these actually occur, and as we add inflation in, sometimes these have to move around a little bit. These will be guidelines for us to start with when we do the finance plan. Then they'll come back to the group and say because we can do a borrowing here, this may change a little bit. They will go through that with the committee. She said we would go through this handout that has the total budget numbers on it at the end of the day; and for Mann, she will make sure he gets it by email. She said again we will set general guidelines on the costs, and those will be adjusted as we do the finance plan.

Howard noted that the next slides were ones Tokos had that she thought was very helpful because it divides the projects into the different focus areas. She said we would go through each one separately. Going from the north down, she noted that the

first one is the Agate Beach infrastructure upgrades, next are enhance US 101/US 20 streetscapes, downtown revitalization, fairgrounds redevelopment, and then the hospital expansion. She said those are the nodes of discussion we'll discuss next on the project discussion. She said, as these slides will explain, they thought it was important for the committee to know what the objective is, what the policy support is for those types of projects, what Tokos sees as the potential phasing, and where we hope match funds might come from in the future.

Howard explained that for Agate Beach the objective is to improve the streets, the water, the drainage system, and user access to US 101. And also to provide the ability to develop large parcels of land that are not yet developed. She said that everyone has been through that area and knows that the streets are in really poor condition. There are also the major drainage issues. She noted that for policy support there are projects identified in the 2012 Transportation Systems Plan, the Storm Water Master Plan, the 2008 Water Systems Plan, and the Housing Element of our Comprehensive Plan. She said it is very well supported by our policy documents to do projects within that area. The phasing on those projects would be started out with a refinement plan in Phase 1, followed by potential right-of-way acquisition, and then implementation. Tokos said in this case, that refinement plan is where you go from the general to the specific. We would do outreach with the community to identify specifically where some of those local street improvements should occur, to what width they should occur, should they include sidewalk or not in certain areas, exactly how we'd go about tackling some of the storm drainage improvements, and then work with them to prioritize in terms of which should receive funding earlier than others. Some may be appropriate to be fully funded by Urban Renewal, and others may be only partially funded by Urban Renewal and the rest of the funding comes through LIDs or other funding sources that are listed. Then we would go back in and amend the plan to plug in those priorities on those specific projects. From the audience, Janet Webster asked if some geotechnical wouldn't come into that. Tokos said probably more in the refinement plan. That's where that detail would come in. There are certain areas where we probably are not going to want to make improvements. Going back to the match, Howard said hopefully there would be some ODOT match funding, some private developers on those two larger parcels, residents through LIDs, SDCs, gas tax, and utility fees could all be potential pools of funds that could be used with tax increment.

The next slide showed the Agate Beach potential projects. Howard said these are all up for discussion, but these are what they outlined showing what the potential Urban Renewal share would be in what the potential total costs would be on these. On the refinement plan, it would be Urban Renewal cost. Storm drainage would basically be Urban Renewal cost. On local street improvements, US 101 access, and the US 101 water line, Urban Renewal's share would be about 50%. She said these are general costs and general contributions. She said she would stop at the end of each of these sections to see if there were questions about those particular projects or about the costs. Chandler asked if it would be possible to put funds in there for paving these streets. Tokos said that would be the local street right-of-way improvements category. Chandler said that \$1 million isn't going to get very far; that's not much. This is a neighborhood with lots of gravel streets, and she thinks the tax increment improvement we would see by improving those neighborhoods with paved streets would be very nice. She said those streets are awful and really need to be paved. Howard noted that the total cost is at \$2 million; Urban Renewal is \$1 million. Tokos said that particular category is scalable. It's basically on what we think we should reserve for those types of uses. He said that the storm drainage was a general sense from our City Engineer about what the cost would be. US 101 access and collector upgrades were some specific projects in our TSP. Similarly with the water line, which is a capacity improvement along US 101. Huster asked what part of 101. Tokos went up to the large map and illustrated that it's from 36<sup>th</sup> up to some point up north. The City has a line size capacity issue and probably age of pipes too; so they'll need to be replaced and upgraded and enlarged. Huster asked who would match the other half of that. Tokos said we could match it with funds that we borrow; low-interest loans against our water utility rates. That would be a City partnership there.

Back to Chandler's question, Howard said she's not sure where we've used LIDs in Newport, but sometimes local streets are also financed through LIDs. She didn't know if that was a consideration for that area or not. Tokos said that would be similar to what we're doing in South Beach, which is Urban Renewal would fund projects along collector or larger streets. If it's a local street, Urban Renewal would provide maybe half the funding and half would come from an LID. It draws down the cost of a local improvement district. He said the thought process behind it is that since on those local streets, those specific property owners are the ones benefiting; whereas on the collectors you have a lot of background traffic, which gives more justification to fully fund it with Urban Renewal. Nebel noted that there's the LID study that we're going through to re-evaluate how we're using LIDs within the city. Chandler said, but by LIDs you're basically saying that residents of that area would have to pay a significant part of it. She said for Newport that's really kind of a pocket of affordable housing, and she doesn't think those folks have that kind of money. She thinks if we're going to do this, we should really get more aggressive in terms of setting money aside for paving. She said if you've spent any time driving that neighborhood, you know it's bad. Greenwood asked Tokos if he had any sense with the \$2 million how many feet or miles that covers. Tokos didn't know. He would have to bring that information back. He said that as Webster had brought up, in certain areas, particularly on the west side of Agate Beach, we have to be cognizant of the underlying geologic issues. There are areas out there where we have paved in the past and are constantly repaving because we have earth movement. There may be some areas where we consciously choose not to pave. We have actually had some conversations about pulling the pavement out in some areas because it's just too difficult to manage the earth movement. In other areas there's certainly opportunity to pave existing gravel streets without that kind of underlying geologic issue. Webster said, following up on what Chandler had said, that's an area of affordable housing, lots of

kids, and one park. So it's not just about getting the streets paved; it's safety. For bicycles and pedestrians, you need the full package of sidewalk and multi-use paths. Tokos said that's what the refinement plan would be for; to engage the community and find out what the specific solution should be up there. Howard told Chandler that her comment was heard, and she thinks we will fold that into our discussions. Chandler said it's really dense housing by Newport standards. She said the streets really need fixed. Howard said, comment noted.

Moving on to the fairgrounds redevelopment, Howard explained that the objective is to widen streets, extend utilities, provide matching funding for a multi-purpose event building and related facilities, and the opportunity for public/private partnerships to achieve US 20 visibility. The policy support is the potential to redefine the east entrance to the City. At that entrance you get a lot of traffic in, so to make sure that is a welcoming entrance to the City. Encourage better utilization of US 20 commercial sites, and that is supported by Policy 6 in our Economic Section of our Comprehensive Plan. Regarding the phasing, Tokos said we really need to work with the County and make sure what we put together as a phasing program makes sense. If we can't work out the details, maybe we just plug in each phase proportionately with the expectation we'll refine it down the road as the County's plans get more specific. He thinks there's an opportunity that should be explored here about public/private partnerships and some of that US 20 visibility and getting the fairgrounds' presence closer to US 20 and what might exist there as an opportunity. He knows the County has been working on the fairgrounds redevelopment for some time. Belmont said they're moving closer to it, and from their perspective one of the most interesting discussions is partnerships and where Urban Renewal fits in. Timing is a key element with that. He said they are closer to being ready to go at least with the multi-purpose building. It's a latch pin as far as where Urban Renewal might contribute and how they do it. Tokos said a significant infrastructure project would likely be improving Harney between 3<sup>rd</sup> and US 20 because it's narrow through there and inadequate to serve increased traffic to a successful fairgrounds redevelopment project. That would be one piece; but there are undoubtedly others. Howard said the match in this to leverage your funds would be with the County and local area landowners and developers who might want to be doing something to their own properties. Mann asked when Tokos is talking about exposing the fairgrounds and moving in that commercial area closer to Highway 20, have there been any initial discussions with any of the commercial property owners regarding that idea of the private relationships as far as changing some of the focus along Harney and Highway 20. Tokos didn't think so. He thinks that's what should happen. That's what he would encourage as something moving forward; engage with those property owners to have that kind of a discussion. Mann asked if the area that goes from Highway 20 along Harney to the fairgrounds is all inclusive in the considered boundary now; all that commercial property. Tokos confirmed it is.

Howard said the potential budget number they have is a total of \$9 million, with an Urban Renewal share of \$3 million. Nebel asked if on the map there's a reason Tokos didn't include Highway 20. Tokos asked past Moore Drive. He doesn't know of a project past Moore Drive. We don't have any commercial zoning past Moore Drive. He couldn't think of a project past that intersection. The entire intersection is in; all four corners. Mann asked how they came up with the \$9 million for those improvements; and what was the \$3 million based on. Tokos thought the \$9 million was a preliminary estimate from the County. He's not sure what the current estimate is; but that was the original estimate. \$3 million is what we thought we could apply to projects in the area; it is totally scalable. Mann asked if the \$3 million would include infrastructure and portions of new construction for buildings or whatever; is it overall needs for the fairgrounds improvements? Tokos said yes, and he thinks we will want to clarify that a little bit. In terms of the project description, we will want to expand it a little bit other than just multi-purpose building. At the end of the day, he thinks it will need to be clarified a little bit because it would cover a range of potential future improvements. Mann asked if that number could potentially go up once we identify all the needs for the fairground improvements, which should also include public/private partnerships process, etc. Tokos said that's something we often face after a plan has been adopted; some projects rise to the top as being projects that are implementable in the life of the plan and there are others that don't for various reasons. So you end up doing amendments where you reallocate and change those figures. One goes up, and you have to pull it from somewhere else because you can't increase your maximum indebtedness. That's part of administering an Urban Renewal Plan. Howard said if that goes up, something else has to come down.

Greenwood noticed that in the economic development subgroup, Tokos has strategic site acquisition for economic development. He asked if this public building component is the sole project in this area, or are some of these other items also in that neighborhood. Tokos said some of these project categories can be leveraged together. That's the beauty of it. There could be a strategic site acquisition that is the key for making the fairgrounds development go, so we pull resources from that category and further define that project more specifically. It would have to go through the Urban Renewal Agency to get their blessing. He said he wouldn't look at an individual project's name as being the sole source for something; a number of these in many cases would get pulled together and drawn from. Nebel asked if those are general categories that could be used anywhere in the district; and that was confirmed. Greenwood said that the Agate Beach projects were specific to that neighborhood, but that isn't the same for some of these others. Howard said that's right; some of these other bigger categories are really area-wide but grouped under an idea or philosophy. She said the thing that you want to balance as you move forward is how much money you spend on non-increment-producing ventures. Does it bring in economic development to the community if you have more for a multi-purpose building; yes probably. So you'll off-set that. When you look at your \$5 million that's set out for strategic site acquisition, and you look at your whole area; you will want to off-set. Would we rather

do this key intersection and make sure something happens there, or would we rather spend it at the fairgrounds? She said that's the balancing you will do as you move forward after a plan's written probably. She noted, as Tokos had said, projects will come up to the surface where you will say this one is ready to go. If we allocate that much here, does it make less for us to allocate elsewhere later on?

Webster asked if the couplet doesn't relate to the whole fairgrounds issue, too. Tokos said we would touch on the couplet a little bit more; but the initial concept right now is that the couplet would terminate at US 20. If you were a 9<sup>th</sup> Street extension, the 9<sup>th</sup> Street couplet would go more or less from where 9<sup>th</sup> Street branches off down by the bridge. Webster said at one point you were talking about an east/west couplet. Tokos said no, this is a north/south couplet. Webster asked why the high school area was added. Tokos said that the school district asked us to consider that. They're going through some master planning to maybe have some things to add there, and they wanted at least that there be the possibility that Urban Renewal funding might be available for reconfiguration or addressing Eads in some capacity.

Howard said in the initial projects lists that they went over with the group last time, they had \$5 million for a public safety building. As they were allocating funding and looking at the need to add some administration in, they're recommending that be deleted as a project. It's not a great Urban Renewal project; it doesn't provide increment. It's their suggestion that it be done through other sources of funding that the City might have and not done with Urban Renewal funds. Chandler said that it was her understanding that the intention for that building was for it to be on 101. Nebel said there's really not a specific plan as far as where it would be other than obviously centrally-located some place with good access. Chandler said if it were to be located on 101, very visible, and in the downtown area; she would argue that it would actually contribute to the lessening of blight. She said we have a significant problem with transient traffic coming into the downtown area; and she thinks that building with a very visible police presence would be beneficial to downtown. She thinks the businesses are impacted by that; and to have police presence in a strong way would help make it better. She would hate to see this deleted at this point. Geltner said provided we all agree with what the definition of public safety is. Nebel said that police and fire was the intent. Howard said she heard what Chandler is saying; and the City of Canby went through that same thought process on their police building. They had the same idea. She said what taxing jurisdictions are asking is why should you be using our money to build a building. We don't mind you using our money to increase increment or to help businesses because that will help all of us. But should you really be using our money (because it is their money) to build your building? She said that is the philosophical question. This money would otherwise be going to the taxing jurisdictions to spend on their own projects. Chandler said as a Community College Board member she completely sees that; but on the other hand, having had the campus downtown and knowing about the transient problem they experienced, it's a significant problem. Nebel thought what we'll do for the next meeting is probably give all of these ideas some thought and present a position at the next meeting and then the group can discuss that. Howard thought that's something we could also look for input on when we do the public outreach meeting. That's where we'll look for input on things where there are different recommendations on the different questions. Tokos said when you look at the list of projects, this is probably the weakest fit of the bunch for Urban Renewal. You can make the argument that it's going to help revitalize an area; but it's a little bit more tenuous than a lot of the others listed here. That type of project is often funded through other means. When the community feels that it's necessary to have a public safety improvement, you take it through a general obligation bond process; you get a vote, and it goes up or down. At that point in time you'd have the details of where it would be located, exactly how it would be benefiting the community, and that whole conversation; much like we had with the pool. Chandler said between the school district and the pool levy, she doesn't see any additional tax increases passing in the next five to ten years. She said people are really concerned about the increases they will be seeing in their property tax bills this fall.

Related to the public safety building, Mann wondered if there's an opportunity to include a public safety building with the multi-purpose building complex at the fairgrounds. Maybe not use all the \$5 million, but a portion of it where it could be included in the overall development of the fairgrounds multi-purpose building. Maybe it could be used not only for the fair and community activities but also for a public safety building as well. Maybe combining the two and having multi-use of a public safety building might make sense. Belmont wasn't sure there is enough space. He said we already have the smallest fairgrounds in the state. He's not sure we could combine fire and police; there probably wouldn't be enough space there to do something like that. He said they are looking at a component of the redevelopment at the fairgrounds that does utilize the fact that they'll have a large multiple-purpose building and maybe putting a small emergency services building as an annex to that because in many kinds of emergencies with the use of that additional big space it would be an important part of that activity. He said they are looking at different funding. Belmont said that Tokos' point about looking for other funding sources to fund this project is well taken. He said for instance the County is not asking for any funds right now from Urban Renewal. Although separate from the project we're talking about here, they are very likely to undertake a major building project within this area themselves. They are talking about building a new health center, which could be a \$6 million project. They are not looking for Urban Renewal money and are not going out to the voters. They are looking at mechanisms to do that project with resources that they have available in the County. It might be that in the kinds of areas they are looking that they might need some infrastructure improvements. He's not sure he can say the street facilities and sewer and water might be adequate. Maybe they'll come back at some point and say can Urban Renewal assist on doing that. He said that would be a major development within this core area that will enhance economic development in itself; not only by having a major government

center that stays within the downtown area, but having people and employees that fan out into the businesses that develop or redevelop along that corridor too. There are other things that are going to go on; not just with Urban Renewal. When asked, Belmont said the County has a site proposed.

Greenwood asked what the nexus is between the statute and the requirement that the development produce assessed value. Howard said there's no requirement. It's only trying to make sure that you're balancing the needs of the district with the desires of your other taxing jurisdictions to make sure the projects you are doing work for your community and also for the other taxing jurisdictions so they continue supporting Urban Renewal. It's a political issue. Greenwood said he can see the extension of water and sewer lines to undeveloped property that could be developed by a private developer would create tax increment; but the nexus is a little less obvious for a municipal building. Nebel said generally speaking the primary goal of doing an Urban Renewal District is to increase the economic vitality of the strip. He said the last North Side Urban Renewal District went largely with two public facilities. He said they are great public facilities, and he thinks they helped make the community more vital. He said really the goal here is to inspire and facilitate economic development that's going to increase the tax base over what it would be if we did nothing. He thinks a lot of decisions we make really need to focus on how this is going to improve the tax base of this area within Newport for the City, the Community College, the County, and the other taxing jurisdictions. If we increase this more than what it would have been just by naturally occurring, then we completed our task. He said creating good economic viability of the city center area or having a fairgrounds that really generates additional business for the community seems to fit better than public facilities do. Howard said on the transient safety issue, if you have more viable businesses, more people in downtown, that usually does help off-set the impact of the transient interference. That is one way to help address that issue. Croteau said also he's seen that problem addressed with police substations; a storefront with a staff person and an officer who walks the beat. He said that would work on 101. It would work on the Bay Front, too. Howard said that's a good point.

Mann had a conflict with another meeting and had to leave at this point. He said that he was confusing the public safety building with the emergency services facility in that discussion and thanked Belmont for clarifying that.

Looking at the next slide showing underutilized commercial and industrial lands, Tokos said this is a piece that he wanted to cover. He noted that some of the people at the table had participated in the economic opportunity analysis. We did a fair amount of work on that in 2012. It speaks to why our Urban Renewal Plan area is US 20 and 101 centric. That study didn't say what we didn't already know when you look at storefronts that are vacant and buildings that are well beyond their useful life. He said this rolls it out in black and white. It's talking about basically your improvement to land ratio; and when your improvements are worth far less than the land is, your property is ripe for redevelopment. What it showed was these target areas are areas we would really want to focus an Urban Renewal Plan area around because through infrastructure investment, through stepping in and assisting property owners either by putting in a program to help them deal with structures that they no longer want and maybe the last key is covering the demolition cost that gets you to redevelopment, or you're strategically acquiring a site so you can work with those business owners to cobble together a property for redevelopment, or you're getting infrastructure realigned so it's more conducive for redevelopment. He said there's lots of different ways to tackle it; but that is what it was showing. That is why he included that slide. Howard thought that was really helpful because it helps provide the basis for why you're wanting to do these projects. Greenwood asked if the green areas are riper for redevelopment. Tokos explained that the red are riper. Greenwood said he was looking at McLean Point, and it seems that there would be more red. Tokos said we were looking at commercial, and that's a heavy industrial area. Greenwood said if he understands the part we are talking about for the Port's district would be primarily red; or would it be green? Howard said right now it's green because it was a nontaxed use. There's no assessed value to it. Webster asked if the zoning in those areas is correct. She wondered if there's anything that's spot zoning or any zoning that needs to be corrected. Tokos said we can look at it. He said the zoning is pretty generalized through there. On US 20 you have mostly heavy commercial. On US 101 it's retail commercial with northern sections heavy commercial. He said it may be that we want to take a look at this zoning in the heavy commercial; maybe it's too permissive in some respects. He said we don't have spot zoning there so much where you have like an industrial zone surrounded by commercial. They're contiguous blocks. Geltner asked what the biggest red area was on the map. Tokos believed that's a park; it should have been green.

Howard said the next general project category is enhancing US 101 and 20 streetscapes. She explained that when we're saying streetscape we're not talking just sidewalks and lamp posts; it's the whole business relationship to the street and business development too. She said the objective is to consolidate property for redevelopment, assist improvements, improve traffic flow, reconfigure intersections, and improve the aesthetics in the area. The policy support is encourage better utilization of commercial sites, which is Policy 6 of the Economic Section of the Comprehensive Plan; and ensure adequate infrastructure to support businesses, which is Policy 8 of the Economic Section. The match funding would be in phases with utility undergrounding, and intersection realignment in later phases due to the cost. Tokos noted that is something he included on the project list, and he believes that was in the feasibility study as well. He said an example is US 101 and 6<sup>th</sup> Street where you have as dog-leg there. You have Pro Build, a restaurant, and an underutilized strip retail there. He said when you think about an intersection realignment and economic development, that intersection would be a good candidate. That's where you would see that some of the different pieces would have to be utilized. You might have to do some site acquisition, you may be



looking at possibly relocating a restaurant or altering the Pro Build site. You're engaging owners and coming up with a solution. It will require shuffling the pieces around a little bit. But that particular intersection would have the potential of improving traffic flow and revitalizing the adjoining commercial areas. He thinks it's a good one to visualize how some of these different project categories could be used.

Huster was thinking about the downtown area where ODOT has done a number of studies. He asked what the interaction with ODOT would be to try to do something there. Tokos said there are two refinement plans proposed; the one in Agate Beach and the other one is in the downtown area. He said we have on the books in our Transportation System Plan conceptual couplets for US 101; either on 7<sup>th</sup> Street or 9<sup>th</sup> Street. Both of them were indicated as needing further study for them to be more real. ODOT would be part of that conversation. We have been working with them, and ODOT has reserved some planning funds through Region 2 that we can leverage as well to work with the community to figure out if a couplet is the right solution, or if not, what the other solution might be. We're dealing with serious congestion issues through there; and they're not going to get better any time soon. The advantage of a couplet is it splits the traffic so you have more flexibility of what you can do along US 101 and along whatever other street where you've channeled the traffic. If that's not the right solution, how do we utilize the one corridor we have in a manner that's going to lead to more effective redevelopment because we have a lot of properties that are suffering. Huster said whatever the decision is, it seems that should be defined before money goes into fixing up storefronts for example. Tokos said that might be a project phasing thing; where you back load storefronts so you can get the refinement plan done first. He thinks we have better community engagement, and we certainly had good community engagement in South Beach, when you do a refinement plan that has money behind it and folks know this isn't just a plan; it will get implemented. Huster said and then other parties would be more interested in stepping up as well.

Chandler said we've been told for a long time that ODOT wants parking eliminated in downtown. She's thinking that Urban Renewal funds might better be spent certainly eliminating that parking but purchasing properties behind these buildings in the downtown 101 corridor for parking and doing no interest loans so they can reconfigure their buildings for access into their buildings from the parking lots. Perhaps eliminate those entrances from 101. Obviously windows that would highlight what type of business it is. She said there are probably some nominal properties off 9<sup>th</sup> Street that she doesn't think anyone would argue should be eliminated and be turned into parking. Get the parking off 101 and eliminate some of that congestion.

Chase said that's certainly an option. 101 is constrained. From curb to curb it's fully utilized. If you wanted to do anything to the streetscape, if you wanted to improve your sidewalk environment, provide a buffer for pedestrians, or do anything to assist bicycle traffic; you have no room to do it. He thinks one of the opportunities we have here is we have a more compact kind of a single core downtown around 101 as opposed to multiple downtowns like Lincoln City has. We do have parallel infrastructure that we might be able to take advantage of. He said if we were to look at the couplet, for that leg we wouldn't need all of the right-of-way that we currently have on 101. We would have a lot more room to work away from those businesses using some of that right-of-way to make a better overall bicycle/pedestrian human landscape environment. He said that's another option. Certainly what Chandler was describing is an option too; if you were to move the parking in back. He said there are a number of communities, Cannon Beach for example, has massive parking behind and creates a whole different environment. People are used to using it now that it's in place. Chase said what Tokos was referring to is over the last eighteen months, ODOT has been working with the City to develop a new transportation model; kind of state-of-the-art for a community of this size, for the expressed purposes of getting us to a point where we work on a Transportation System Plan update that will look at a variety of issues in the community, not just the downtown and US 20, but look at what some of the possibilities might be for the Yaquina Bay bridge. He said that one is almost overwhelmingly daunting when you think about even in the simplest terms what it might cost to do anything on that segment. But we can certainly look at what options there could be and start to come up with some idea if something like that is ever going to be affordable and what are the options on the existing bridge. ODOT has put funds aside and are talking to Tokos that we can really start thinking about scoping here. After the first of the calendar year with the idea that we can get something underway after the first of the fiscal year July 1<sup>st</sup> if not a little sooner to do something very comprehensive. He said there's been a lot put into South Beach, but not so much on the north side. He said to take that TSP update to the north side of the Bay and start to explore all those issues. Have that conversation; does it make sense to remove parking and concentrate more on the 101 corridor itself, or does it make more sense in economic development potential to look at a couplet system. Are there going to be a lot of different thoughts on that? That's why you go through a process like this to engage the public. He said ODOT has a pretty good chunk of change to help the City out. He said he wasn't thinking about having money from Urban Renewal to partner up with that; but that certainly would be a help. He said he's here to say that they are working with us; and they do have sufficient resources to come in and take a good hard look at all of these issues and help the City come to some conclusions.

Howard said in terms of the Urban Renewal Plan, what we are working on is setting up a capacity to implement once those things are done. She said when we looked at the first slide, you were told that you don't actually get enough money to start doing things for a number of years; and that's why you want to go ahead and get your plan in place and let that increment start building. The refinement plan, the TSP update; those can all be done to get you to that level of specificity. Get these other plans done; but you have your Urban Renewal Plan in place to start raising that money for implementation.

Chandler asked Tokos if he would walk the group through where these couplets are. Busby said before getting into that, he has a problem with the word “couplet.” He said it presumes we are going to have an alternate means of transit through the city; and that may not be the case. We may just decide to get rid of the parking or something. He said maybe that’s not the right word to use in the Plan because he thinks it will grab a lot of people’s attention and lead them to assumptions that haven’t been made yet. Howard said maybe “Transportation Plan.” Tokos thinks we want it to be general enough that it can provide for alternate solutions but he also thinks we have to make sure it is a potential option and we don’t want to water the description down so much that people later say where did this come out of. Chase said maybe just refer to it as “US 101 corridor analysis.” Busby said it’s just that that kind of implies one-way streets are coming, and that’s not the case. Howard thought if Tokos wants to keep the word couplet in the project description; there will be a project title and then a general description, we could say “potential couplet or other solution” so that you aren’t specifying a couplet for sure but you’re saying it might be one of the solutions. Tokos said we simply just wanted to make sure we at least anticipated the most robust solution so we have that as an option. Tokos went up to the large map. He noted that there are two couplet options in our Transportation System Plan right now. He explained that the easier one would be 9<sup>th</sup> Street. It branches off 101 and would be north-bound traffic on 9<sup>th</sup> and would tie up to US 20 and you either go on to Corvallis or come back to 101. He said the hospital is well aware of this. Their redevelopment plan shifts their parking away from 9<sup>th</sup> to the rear of their facility. They also recognize that their existing parking on 9<sup>th</sup> is not ideal. You typically don’t want angled parking on a collector. He explained that the other one is 7<sup>th</sup> Street shifting the south-bound traffic to the west of the highway. He said the challenge with that route is the terrain. We would be looking at bridge structures. From the audience, Ellen Bristow said she understands going by the hospital and hooking up to US 20. She said as 9<sup>th</sup> turns into Benton that is only two blocks from 101. She thought that looks awfully close to flip traffic around. She wondered then if it’s more likely to end at Coos. Tokos said that Coos would provide more in the way of that. Bristow said that her house would be under this couplet; so she is going to be watching that.

Chase said to keep in mind at this point anything that’s been talked about are really just lines on a map. There are a million issues that will have to be considered; spacing, line configurations, right-of-way impacts, and utility impacts. He said he would take everything at this point with a grain of salt. When the phrase “couplet” is used at this level, there are a couple of real conceptual ideas, but all we’re really talking about is if there’s a way to create parallel capacity so that you don’t have the existing 101 right-of-way so jam-packed that it is dysfunctional. Is there a way to provide a little more capacity by essentially commandeering part of the local street system? How it connects, what it will impact; there’s just no way of telling right now. Bristow said she would like an estimate about how long this process might take. Chase said for a TSP update where there are really complicated issues where we go to a little higher level of design and analysis where there’s going to be a lot of community engagement; two years is probably the minimum, three years might be more typical before it really gets to the Council and somebody makes a decision about the direction we want to go. Howard said to notice that Chase did say public involvement. Nebel said the other thing to understand too is from an implementation standpoint whatever decisions are made that are going to rack up these kinds of price tags before there’s even enough funds to consider to borrow; it will be a number of years out; more than a decade. Chase said if we started next summer and you were ready to move forward with construction of anything within a decade, you would be doing great. Nebel said to understand that this is long term. You’re probably talking about something in the next couple of decades before a project of that scale would even have enough financial backing in order to carry. This is a long-term plan.

Webster said ODOT likes to see through flow. Maybe that’s not as important to us as access is. Flipping the storefronts. Making it more accessible to people that live here. Not just the RVs and the trucks that are trying to get through town. She likes an idea of a local route more than rerouting. It’s livability and how you walk through town. Nebel thought the solution has to take into account what’s the best way to improve the viability of that core as well. Obviously that current configuration’s not working well now. What steps can be taken to make that work? What steps can be taken to help facilitate traffic? It has to be a universal decision; not just dealing with the traffic issue or not just dealing with the vitality of the district. It has to work for both.

Chase said that 101 is a 360-mile-long corridor; and in the summertime particularly on US 101 in urban areas quite frankly the notion that we have any hope of facilitating rapid through-put really isn’t realistic. They don’t have money to build bypasses. They aren’t going to look to increase speeds through communities. He said the mobility aspect of this is really at this point more of an outcome issue. We want to look at the total need of transportation facility; all of the things that it needs to do, all of the users it needs to serve including bikes and pedestrians, and come up with what works best for the community. How that performs and how we balance all of those factors; that’s really more of an outcome. We don’t come into it with the objective that we must achieve this kind of performance. A couple of decades ago that was kind of a mindset; but that’s not really the mindset they are operating in right now. He said they are open to look at whatever works best for the community. As long as the safety is maintained and it avoids getting much worse than it is, he thinks they will feel that’s successful.

Howard said this slide shows the potential cost for some of these projects and the potential leveraged cost of that. Chandler noted that matching funds weren’t on undergrounding. She wondered if that’s assuming Central Lincoln would do matching, or is that ODOT funding. Tokos said the numbers we have in here for the undergrounding piece is from very preliminary discussion the City had with Central Lincoln a while back. We have a franchise agreement with Central Lincoln PUD for

placement of utilities in rights-of-way. He thinks the next round of that comes up in a couple of years. We had talked about potentially engaging Central Lincoln in discussions; and he thinks that Central Lincoln brought up that they would like to have a better sense of where the community's going so they know how to plan their investments. Part of that is Central Lincoln knowing the areas that are going to be targeted for undergrounding so they can plan for that. That's part of a contribution. We have a line undergrounding fund. Chandler said it's actually a city tax. Tokos agreed it is a city tax. Chandler said it comes on their bills but is collected specifically for Newport to pay for undergrounding; however it's only accruing at about \$100 thousand a year. Tokos said when it comes to match funding for Central Lincoln that would be more through their creating a line undergrounding district potentially in areas where Central Lincoln can plan their investments moving forward. Chandler asked if it would be the City creating the undergrounding district; not Central Lincoln. Tokos thought that's something we could do through a franchise potentially; identifying areas that we're going to be targeting for undergrounding so when Central Lincoln is looking at major capital upgrades to their stuff because of age of infrastructure or whatever, the City would be looking for them to underground it at that time. Chandler thought that assuming \$4 million is really aggressive. Tokos said \$4 million would be Urban Renewal contribution. Chandler said she understood that. She was just saying that Central Lincoln charges the actual cost. They don't comp or grant or anything like that districtwide; and they serve all the way from Lincoln Beach to North Bend. She said they are happy to spend and underground with whatever funding is doing that, but they don't grant. Where they left the discussion two years ago with the City was that the City Manager was to send Central Lincoln a letter requesting an estimate of engineering cost just to take a look to get a real number. She said that they didn't receive that letter. She said just don't assume that's something that they do because it's not. She said the Utility doesn't feel it's fair for folks in Siletz or in Mapleton to pay for our undergrounding in an urban environment. Chandler said Central Lincoln is happy to underground to whatever the budget is.

Looking at the Downtown Revitalization slide, Howard noted that we were saying that sometimes things from one category can be used in another one; so you could certainly use some of those other tools that were on the US 101 as part of addressing the downtown revitalization. She explained that the objective is to ease congestion in the downtown area, spread out traffic, enhance pedestrian experiences, and facilitate redevelopment of commercial properties. As far as policy support, the couplet concept is in the TSP, Policy 8 in the Economic Section of the Comprehensive Plan, which is to provide adequate infrastructure to support businesses, and the Peninsula Design Plan. Regarding phasing, we talked just a minute ago that this project will take a long time to work through. Match funding would be ODOT, businesses, SDCs, gas tax, and room tax. Different pools to look at for potential leveraging of your funds. Howard noted that Tokos was talking about doing a refinement plan in that area. Tokos said that's the work the City is doing with ODOT; it's going to be kind of a partnership. Chase thought we could bundle that under one umbrella and do it in a more comprehensive way just to make sure it's connecting to the other parts of the community. Belmont asked if we're defining downtown basically as Olive down to the other side of the hospital; what is the actual definition of downtown? Tokos said he doesn't know that he's tried to define it; but visually to go with what Belmont just said to be more or less US 20 to the hospital area. The hospital itself has a chance to redefine that footprint from where they're at over to the bridge as more of a medical office orientation. Geltner said the congestion on 101 is limited to a defined number of blocks; and then it gets wider past the Chamber of Commerce office to the south and north of Highway 20. He said if you were going to highlight an area the greatest constriction would be those blocks.

The next slide was the hospital expansion area. Howard said the objective is to improve street access, parking, and utility infrastructure to support expansion and redevelopment in the area. Policy support is the Abbey Street signal is called out in the TSP, encourage better utilization of commercial sites, which is Policy 6 of the Economic Section of the Comprehensive Plan, provide adequate infrastructure to support businesses, which is Policy 8 of the Economic Section. The phasing should be sensitive and linked to the hospital's plans and their development schedule. Potential match funding would be the City, the hospital, and area business owners. Howard said economic development projects are throughout the entire district, and the next slide lists the potential projects. She ran through the list of those. She noted that the most expensive is the utility undergrounding. She finds in every community they always want to underground their utilities. She said it does look incredibly better when they're undergrounded, but it also is one of your most expensive projects.

Busby had a question about the hospital. He wondered if the amount of infrastructure improvement between what the hospital is going to pay for under their current plan versus what the City is required to do clearly defined, or is that still subject to negotiation. Tokos said it would be the latter; still subject to negotiation. The hospital just had the levy go through, and they are working on their design. They've engaged the City to talk about how utilities need to be reconfigured, and some street rights-of-way need to be vacated. They will be phasing. They will have what they need to tackle now as opposed to what they would like to tackle down the road; and that all has to be sorted out. He said certainly we would expect some contribution for example if Abbey Street gets signalized as part of this. He said given that the hospital just passed that levy, he would think that Urban Renewal would be something that would be assisting in later phases of the hospital's work as opposed to up front because even if the plan is adopted, there's not going to be a meaningful increment coming off before they're well into their work.

Webster asked where affordable housing fits into any of this in terms of economic development. Tokos said to the extent it fits into this conversation on the Urban Renewal Plan, it would probably be more in the Agate Beach area where we're making

about 75 acres of undeveloped residential land developable. That increases your supply, which helps to some degree. He said there's really not a focus of it along the highway corridors because they're commercial oriented. Webster said there's potential there too for second-story residential. Tokos agreed that there is for residential over retail. Webster said that's a real bottleneck right now for redevelopment. She just wanted to raise that issue.

Greenwood asked if the City has considered an SDC reimbursement or grant program in an effort to keep some of the development costs down to encourage development while still maintaining that those projects get done. He said there's clear nexus between SDCs and increased assessed value. He just thought maybe at some point the City has looked at some program that could offer "grants" to offset those costs of private development. Tokos said it certainly can be done. Gresham is an example where they did that in their downtown area. One thing you have to keep in mind is what's the City's SDC program now? How is it set up? And would there be a real benefit from something like that? He would say in certain areas probably not. Not in existing developed areas because we have very generous credits. In existing developed areas they don't pay very many SDC fees. It's obviously more of an issue when you're doing new development. He said the City hasn't really looked into that. Wilder for example did a development where they got the credits by oversizing their upfront infrastructure because it's going to benefit other users. That's a way to get those credits. If you're going in and putting in a sewer line for example that is larger than what you would otherwise need and it's going to serve other properties, then you get a credit. That's why Wilder for example doesn't pay SDCs for anything other than storm water impacts and won't for some time; because they oversized those utilities. Busby said that's a subject that's come up in the Council. In fact, Tokos has money in the budget this year to do a study on our SDCs. Howard said it's another potential tool for helping.

Going on to the next slide, the Port proposal, Howard noted that the objective is to extend water and sewer services and construct street frontage improvements to allow an area that's not developed to become developed and participating in jobs and future assessed value for the area. Policy support is Policy 1 in the Economic Section of the Comprehensive Plan to support marine research/ocean observing, Policy 3 of the Economic Section, which is the shipment of goods from the international terminal, and Policy 4 of the Economic Section for fishing/seafood processing. The phasing would be working with the Port and potential developers and owners of that area to make sure how the infrastructure gets put in at the same time or with the development of potential new businesses within the area. Match funding would potentially come from the State, the City, the Port, and from private developers. Howard said we are looking at the 20-year program, which would be \$2 million potential capacity and would be under that \$42 million amount that the City Council set as a side bar a couple of months ago. She said one of the potential projects would be sewer pump station and mains. That's part of why we added that additional property; we couldn't do anything to the sewer pump station without it being in the Urban Renewal Area. Other projects are storm drainage improvements, water line extensions and upgrades, and street improvements within the area. Urban Renewal is paying almost half of most of those other than the sewer pump station and mains. She said this is really an economic development issue and key to brining in new development in the Port area and making better use of that property down in the Port area.

Cotton said maybe this has already been covered, but she wondered if there have been any considerations made for improved connections to Highway 20 if we're talking about increased commerce at the Port. Greenwood thought some of the transportation elements kind of address getting better flow into McLean Point. Tokos said that Moore Drive is the haul route; and it certainly has the capacity to handle additional truck traffic. Teevin Brothers did a fair amount of traffic analysis to establish that's the case. There was some work done with a committee that the Port and the City put together jointly about looking at alternative routes to McLean Point. The challenge off of 20 for alternative routes is unstable ground and steep slopes. As you go east, it gets worse. At this point there's no recommendation to look for alternative routes to McLean. That could certainly get picked up at some point in time; but the existing haul route Moore Drive to Bay Boulevard should be sufficient. The City will be doing some improvements to Moore and Bay. That's something that our Public Works Department is currently working on that will improve particularly the intersection at the base of the hill there, which is problematic just in terms of how it's configured right now. He doesn't think there are any plans to create any new transportation routes.

At this point, Nebel and Belmont had to leave for another meeting.

Howard said one last thing to talk about was administration. She said obviously running these programs costs money, and typically cities will use a portion of that money to pay for staff to administer the Urban Renewal Program. She said we haven't identified exactly what that amount is. So they went through the project list, and it totals at this point \$39.350 million. So there's potential to add administration into that. Once we start working on a finance plan, we'll zero down more into what that administration really ought to be. She and Tokos talked about covering at least one full-time employee as the area gets going. Tokos said there are some different ways we can tackle it. Whether or not the administration is a fixed amount that comes out of the increment each year; or it's a percentage that ramps up as the district gets stronger and add in those FTEs at a later date when the district is actually doing something and you have projects, and you have a need for that. We should have a chance to ferret it out. What you want to do is make sure that the concept is on the table so you're aware that we do need to account for administrative costs as part of the overall budget. Chandler asked if that happens in the South Beach District; is there some additional staff paid for? Tokos said there is right now. About a quarter of his time is actually covered down there right now;

so it's been hit and miss in South Beach. It wasn't originally when the district was started. Howard said sometimes originally there isn't because you're not doing projects yet. You still have some administrative responsibilities to do your budget and an annual report.

Howard said we will talk about projects again at the next meeting. We brought this forward because we wanted to tie it to boundaries. This isn't your last shot at looking at or talking about projects. She said the committee members will want to take a look at the handout and see if there are recommendations on changes that need to be made to it that we can go over at the next meeting. We'll also talk about goals and objectives at the next meeting. Goals and objectives are usually developed to tie together policy support that exists and what projects you're trying to accomplish and what your objectives are in the area. She usually writes a draft for the committee members to review. Typically what happens is it gets reviewed and you wordsmith it a little bit. That would be the expectation for what we would do at the next meeting.

Howard said we also have the open house. She said if anyone wants to come to the open house to be a part of that, they should coordinate with Tokos. It's usually nice for people from the committee to come to that open house so if there are other questions, you are there and available. Tokos said we will need to get notice out on that. For purposes of the notice, we'll use the map for picking up all business owners and individual property owners within that boundary so that they're apprised of it. He encouraged committee members to attend. At least reserve the time, and we can talk about it more during the day session on the 27<sup>th</sup>. It's helpful to have folks there from the different taxing entities and other representatives around this table. On the 27<sup>th</sup> the open house will be from 6:00 p.m. to 8:00 p.m. The daytime meeting will be from 10:00 a.m. to noon.

Tokos said we will get this presentation loaded on the City website. Bristow asked what the timeline is for slides and minutes to be up on the website. Tokos said the PowerPoint presentation will be up there before the end of today. The minutes will take a few days before they're prepared. Bristow said so they will be there before the 27<sup>th</sup>; and Tokos confirmed that they would.

Geltner asked on the handout that has project names at the top, those are all very general. He asked if that's intentional; and Tokos confirmed that it was. Geltner said a lot of people will try to read into it because they're coming into this new. He doesn't know what you could do to that to help them get mentally prepared. Howard said a lot of times what will happen at the open house is we'll start it with a presentation that she would do that would be more general about what Urban Renewal is and how it works. We could also talk about what the potential projects are and what they mean. Then leave it open for people to look at the presentation boards and map and ask individual questions in a less formal atmosphere. She finds a lot of times people are more reluctant to ask questions in a formal presentation; so if you adjourn and have it less formal where they can just come up to you at a board, they are more likely to ask a question. She and Tokos will talk about that; but if anyone has any suggestions or input on how that should happen, please let them know.

Geltner wondered what the press release is going to say. Right now he's sensitive with what is going on with the fairgrounds because the process hasn't quite come up with a true vision. So people are throwing pot-shots in all directions. When the public is coming on the 27<sup>th</sup>, he's hoping through the press release we're focusing a little bit to give them a sense of what they're going to be able to do at this open house. Howard thought the other thing that she will try to make very clear is what we're establishing is future funding potential but we aren't specifically identifying all the constraints of projects because those aren't identified. We're establishing a funding mechanism to put in a tool box for the City for use in the future. Once all of those things have gone through the public process and they are identified, that's the point where if they wanted to get involved in that process they could because the actual funding comes after the full identification of them.

Busby noted in the funding issues the biggest amount of money is the couplet or non-couplet project. If in fact it is the non-couplet project it comes down to \$12.5 million versus a few gallons of paint to restripe 101. Howard said that could be used elsewhere. Busby said exactly. So he thinks people need to understand that by changing these projects, the money available for some of the other projects can change. Howard said if Tokos and Nebel are okay with it, we'll probably change the word "couplet" to talk about transportation alternatives. She thinks that's less polarizing. Busby thought it should be noted that some of those alternatives can change that \$12.5 million down to maybe \$1 million. Tokos thought the key to that is those will come through the refinement planning process down the road. He thinks it's important that we at least preserve our ability to do any of the range of projects. He said if at the end of the day you don't need \$12.5 million, you can always under-levy your Urban Renewal District. That's actually something we will be talking about too; the ability for Districts now to under-levy. He thinks that's an example of how that could happen.

Geltner said the other thing in the press release, Newport people are feeling the greatest pressure because of the hospital and the swimming pool. He said anything the press release can do to educate and anticipate some assumptions the public might make going into this. Huster said waylay fears. Howard said yes, say this is not an increased tax. Busby said start out with this is "free" and then go from there. He said what Geltner said is very important. We've already hit them up with enough tax increases.

Howard said she appreciated today's input.

**Adjournment.** Having no further business to discuss, the meeting adjourned at 12:05 p.m.

Respectfully submitted,

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Wanda Haney  
Executive Assistant